

# MSCI World Sector Neutral Quality Index (USD)

The **MSCI World Sector Neutral Quality Index** captures large and mid-cap representation across 23 Developed Markets (DM) countries\*. The index aims to capture the performance of securities that exhibit stronger quality characteristics relative to their peers within the same GICS® sector by identifying stocks with high quality scores based on three main fundamental variables: high Return-on-Equity (ROE), low leverage and low earnings variability.

For a complete description of the index methodology, please see [Index methodology - MSCI](#).

## CUMULATIVE INDEX PERFORMANCE – NET RETURNS (USD) (AUG 2010 – AUG 2025)



## ANNUAL PERFORMANCE (%)

Year	MSCI World Sector Neutral Quality	MSCI World
2024	16.81	18.67
2023	25.83	23.79
2022	-19.16	-18.14
2021	23.42	21.82
2020	14.98	15.90
2019	30.65	27.67
2018	-7.20	-8.71
2017	23.21	22.40
2016	5.05	7.51
2015	2.63	-0.87
2014	6.73	4.94
2013	25.90	26.68
2012	14.75	15.83
2011	-0.64	-5.54

## INDEX PERFORMANCE – NET RETURNS (%) (AUG 29, 2025)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED			
					3 Yr	5 Yr	10 Yr	Since Nov 30, 1998
MSCI World Sector Neutral Quality	2.64	5.93	6.59	8.72	17.40	11.67	11.58	7.79
MSCI World	2.61	8.41	15.68	13.78	18.50	12.89	11.65	6.99

## FUNDAMENTALS (AUG 29, 2025)

Div Yld (%)	P/E	P/E Fwd	P/BV
1.47	24.38	21.93	6.54
1.66	23.84	20.07	3.75

## INDEX RISK AND RETURN CHARACTERISTICS (NOV 30, 1998 – AUG 29, 2025)

	Beta	Tracking Error (%)	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			SHARPE RATIO <sup>2,3</sup>			Since Nov 30, 1998	MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr	(%)	Period YYYY-MM-DD	
MSCI World Sector Neutral Quality	0.95	2.92	20.88	14.21	15.87	14.69	0.88	0.59	0.68	0.43	54.48	2007-10-31–2009-03-09
MSCI World	1.00	0.00	2.34	14.26	15.60	14.96	0.94	0.67	0.67	0.37	57.82	2007-10-31–2009-03-09

<sup>1</sup> Last 12 months

<sup>2</sup> Based on monthly net returns data

<sup>3</sup> Based on NY FED Overnight SOFR from Sep 1 2021 & on ICE LIBOR 1M prior that date

\* DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US.

The MSCI World Sector Neutral Quality Index was launched on Aug 11, 2014. Data prior to the launch date is back-tested test (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance – whether actual or back-tested – is no indication or guarantee of future performance.

## INDEX CHARACTERISTICS

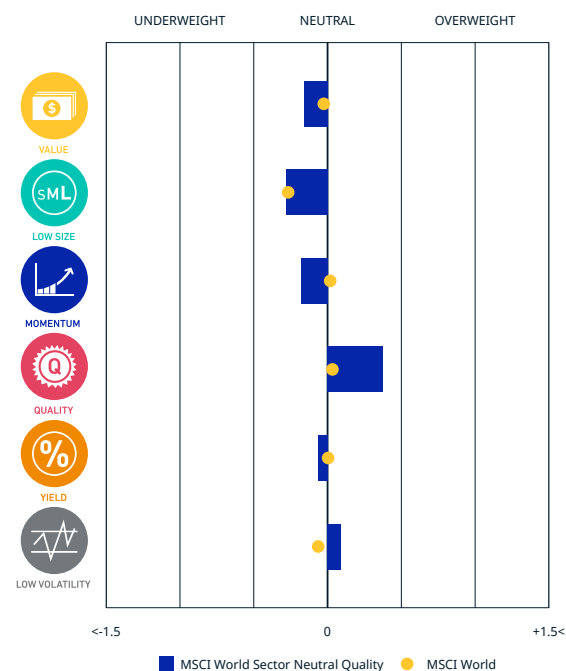
	MSCI World Sector Neutral Quality	MSCI World
<b>Number of Constituents</b>	300	1,320
	<b>Weight (%)</b>	
<b>Largest</b>	6.30	5.44
<b>Smallest</b>	0.01	0.00
<b>Average</b>	0.33	0.08
<b>Median</b>	0.12	0.03

## TOP 10 CONSTITUENTS

	Index Wt. (%)	Parent Index Wt. (%)	Sector
NVIDIA	6.30	5.44	Info Tech
APPLE	5.45	4.44	Info Tech
MICROSOFT CORP	5.37	4.58	Info Tech
VISA A	3.69	0.77	Financials
META PLATFORMS A	3.38	2.05	Comm Svcs
ALPHABET A	2.04	1.59	Comm Svcs
MASTERCARD A	2.03	0.65	Financials
ALPHABET C	1.73	1.34	Comm Svcs
LILLY (ELI) & COMPANY	1.66	0.76	Health Care
GE AEROSPACE	1.59	0.38	Industrials
<b>Total</b>	<b>33.23</b>	<b>21.99</b>	

## FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

## MSCI FACTOR BOX



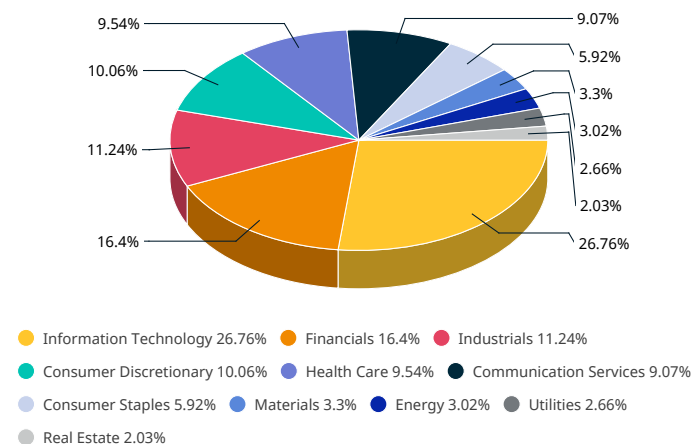
## MSCI FaCS

- VALUE**  
Relatively Inexpensive Stocks
- LOW SIZE**  
Smaller Companies
- MOMENTUM**  
Rising Stocks
- QUALITY**  
Sound Balance Sheet Stocks
- YIELD**  
Cash Flow Paid Out
- LOW VOLATILITY**  
Lower Risk Stocks

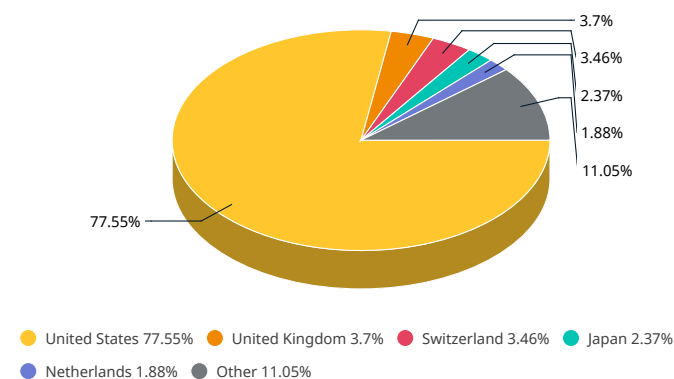
MSCI FaCS provides absolute factor exposures relative to a broad global index - MSCI ACWI IMI.

Neutral factor exposure (FaCS = 0) represents MSCI ACWI IMI.

## SECTOR WEIGHTS



## COUNTRY WEIGHTS



## MSCI FACTOR BOX AND FaCS FRAMEWORK (Please refer to complete description of the MSCI FaCS methodology [here](#))

MSCI FaCS is a standard method for evaluating and reporting the Factor characteristics of equity portfolios. MSCI FaCS consists of Factor Groups (e.g. Value, Size, Momentum, Quality, Yield, and Volatility) that have been extensively documented in academic literature and validated by MSCI Research as key drivers of risk and return in equity portfolios. These Factor Groups are constructed by aggregating 16 factors (e.g. Book-to-Price, Earnings/Dividend Yields, LT Reversal, Leverage, Earnings Variability/Quality, Beta) from the latest Barra global equity factor risk model, GEMLT, designed to make fund comparisons transparent and intuitive for use. The MSCI Factor Box, which is powered by MSCI FaCS, provides a visualization designed to easily compare absolute exposures of funds/indexes and their benchmarks along 6 Factor Groups that have historically demonstrated excess market returns over the long run.

## ABOUT MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 50 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process. To learn more, please visit [www.msci.com](http://www.msci.com).

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